**INVER GROVE HEIGHTS CITY COUNCIL MEETING**
**MONDAY, DECEMBER 8 2025 – 6:00 P.M. – 8150 BARBARA AVENUE**

## 1. CALL TO ORDER:

The City Council of Inver Grove Heights met in regular session on Monday, December 8, 2025, in person. Mayor Dietrich called the meeting to order at 6:00 p.m. The Pledge of Allegiance was recited.

## 2. ROLL CALL:

Present In-Person: Mayor Dietrich; Council Members: Gliva, Murphy, Scales, and T'Kach
Staff In Attendance: City Administrator Wilson, City Clerk Kiernan, City Attorney Nason, Community Development Director Ziemer, Finance Director Hove, Assistant Finance Director Ellison, Environmental Specialist Kramer, Public Works Director Connolly, City Engineer Merchlewicz, IT Manager Gade, Communications Manager Looze, Parks & Recreation Director Lares, Club House Superintendent Moynihan, Police Chief Chiodo, and Commander Haugland.

## 3. APPROVAL OF AGENDA:

**Motion to and approve Agenda with addition of Closed Session for Personnel Matters by Gliva; second by Scales.**
**Ayes: 5**
**Nays: 0 Motion carried.**

## 4. PRESENTATIONS:

## 5. CONSENT AGENDA:

- **A.** Approval of Minutes of the November 10, 2025, City Council Meeting
- **B.** Approval of Disbursements, **Resolution 2025-256**
- **C.** Personnel Actions
- **D.** Resolution Rejecting Bids for City Project EDA25-01, **Resolution 2025-257**
- **E.** Resolution Authorizing Submission and Execution of the 2026 Dakota County Community Waste Abatement Grant Application and Contract, **Resolution 2025-258**.
- **F.** Resolution Executing a Memorandum of Understanding Extension with Xcel Energy Partners In Energy for 2026 Energy Action Plan Implementation, **Resolution 2025-259**
- **G.** Resolution Approving Updated Joint Powers Agreement for Participation in Dakota County Domestic Preparedness Committee, **Resolution 2025-260**
- **H.** Resolution Approving 2026 Joint Powers Agreement with Dakota County for Emergency Management Services and Support, **Resolution 2025-261**
- **I.** Resolutions Approving a Joint Powers Agreement (JPA) with Dakota County and Awarding a Preliminary Engineering Contract for City Project No. 2026-01, **Resolution 2025-262 & 2025-263**
- **J.** Resolution Declaring Certain Fitness Equipment Surplus Property and Authorizing Sale, **Resolution 2025-264**
- **K.** Resolution Authorizing 2026 Golf Cart Fleet Order, **Resolution 2025-265**
- **L.** Budget Amendment for Fiber Extension to Rock Island Swing Bridge, **Resolution 2025-266**
- **M.** Resolution Approving Submittal of the 2026 Community Development Block Grant Funding Application, **Resolution 2025-267**
- **N.** Resolution Authorizing Quit Claim Deed Conveying Certain Access Rights in the Inver Wood Golf Course Addition Final Plat, **Resolution 2025-268**

**Motion to approve Consent Agenda Items A – N, except I by T'Kach; second by Gliva.**
**Ayes: 5**
**Nays: 0 Motion carried.**

Council Member T'Kach expressed concern that she did not fully understand Item I and asked staff to explain the urgency of the project. She noted that the packet characterized the work as rushed and that only one contractor submitted a bid, raising questions given community concerns related to the contractor's prior work on the 70th Street project with the County. She also asked whether this contractor would complete the full 80th Street design or if there would be an opportunity for a different contractor or additional bids for future phases.

Engineer Merchlewicz stated that Item I concerns the 80th Street realignment and involves a preliminary study only. He explained that two consultants were initially contacted, but one withdrew due to workload, leaving the remaining consultant, with whom the City has had no prior issues. He noted that the study will be guided by public and City input, includes County participation with the City as lead, and has been part of the City and County CIP for several years. The study will help evaluate utilities and access to support potential development north of the corridor. If the City moves forward with final design, a new scope of work would be issued for additional consultants.

**Motion to approve Consent Agenda Item I, by Murphy; second by Scales.**
**Ayes: 4**
**Nays: 1 (T'Kach) Motion carried.**

**6. <u>PUBLIC HEARINGS:</u>**

**A.** Proposed 2026 Budget and Tax Levy

Finance Director Hove provided a comprehensive overview of the 2026 Budget and Tax Levies, outlining the timeline and key steps in the City's annual budget process. From June through September, the City held multiple meetings and work sessions to discuss the General Fund budget and preliminary tax levies. In September, the Council adopted the preliminary 2025 General Fund budget and tax levies. Additional work sessions were held in October and November and focused on enterprise funds, internal service funds, the Convention and Visitors Bureau, the Opioid Settlement Fund, and a revised Community Center budget. Dakota County mailed proposed property tax notices on November 12, 2025, reflecting 2026 tax estimates based on the proposed levies. A public Truth in Taxation meeting was held on December 8, 2025, to allow for public comment, with final approval of the 2026 budgets and tax levies scheduled for December 15, 2025.

The City is only one of several taxing district levies that affect property taxes, along with the County, School District, and other special taxing districts. Dakota County's proposed levy increase was 9.90%. The State General Tax applies only to Commercial, Industrial, Public Utility, and Seasonal Recreational properties. Property classification and changes in market value also influence taxes year over year. For 2026, market values increased by 3.79% for Residential properties and by 3.02% for Commercial properties.

The Citywide Tax Levy by fund illustrates the progression of adopted levies from 2023 through the proposed 2026 levy. The General Fund levy is proposed at $30,422,141, reflecting a 5.56% increase. The General Fund Tax Abatement levy is proposed at $183,000, representing a 0.16% decrease. The Pavement Management levy is proposed at $3,022,792, an increase of 3.00%. The Debt Service levy is proposed at $2,550,657, an increase of 0.12%. In total, the proposed Citywide Tax Levy for 2026 is $36,178,590, representing an overall increase of 5.74%.

The impact of the 5.74% Citywide Tax Levy increase on a median valued residential property is based on a 2026 median home value of $361,800. The proposed Citywide 2026 Tax Levy totals $36,178,590 and reflects a 5.74% levy increase and a 1.09% change in the City tax rate. For a median valued residential property, the annual change in City taxes is $90.10. By comparison, the median valued property in 2025 was $349,100.

The 2026 Citywide Budget summary of expenditures and transfers, excluding Internal Service Funds, totals $92,260,356 and reflects spending across multiple funds with varying reliance on property tax revenue. The General Fund totals $36,789,166 and is highly reliant on property tax revenue. Public Safety Small Equipment totals $380,446, the Convention and Visitors Bureau totals $219,000, the Community Center Operating and Capital Fund totals $5,112,045, the Opioid Settlement Fund totals $28,815, and the Host Community Fund totals $2,530,489. The Economic Development Authority totals $240,685 and is also highly reliant on property tax revenue. Debt Service Funds total $2,516,823 and carry a high dependence on property tax revenue. Pavement Management Program Local Streets totals $22,350,302 and shows a lower level of reliance on property tax revenue. Pavement Management Program Partnership Projects total $660,000. Water Operating and Capital Funds total $7,637,103, Sewer Operating and Capital Funds total $7,026,859, Stormwater Operating and Capital totals $3,698,423, and the Golf Course Operating and Capital Fund totals $3,070,200.

The 2026 General Fund Budget reflects total revenues of $36,789,166, an increase of 4.9% compared to the 2025 amended budget of $35,056,905. Taxes remain the primary revenue source at $30,723,641, representing a 6.4% increase. Licenses and Permits total $1,358,650, up 4.0%, while Intergovernmental revenues decline to $1,288,000, a decrease of 16.5%. Charges for Services increase to $2,250,468, reflecting a 10.5% increase, and Fines and Penalties decrease by 4.7% to $200,800. Special Assessments total $5,500, an increase of 10.0%, while Other Miscellaneous revenues rise significantly to $367,775, an increase of 37.6%. Other Sources and Transfers decrease to $594,332, down 27.0%. As a share of total revenues, Taxes comprise 83%, Charges for Services 6%, Licenses and Permits 4%, Intergovernmental revenues 3%, Other Sources and Transfers 2%, Fines and Penalties 1%, Other Miscellaneous 1%, and Special Assessments 0%.

General Fund expenditures indicate that Public Safety comprises the largest share of overall spending. Police services represent 36% of General Fund expenditures, followed by Fire at 20%. Public Works accounts for 14% of expenditures, Parks and Recreation represents 12%, General Government comprises 10%, and Community Development accounts for 8% of General Fund spending.

General Fund Budget totals by department reflect total expenditures of $36,789,166 for 2026, compared to $36,991,534 in the 2025 amended budget. Unassigned expenditures decrease significantly from $2,404,220 to $976,437. Mayor and Council increase slightly from $365,765 to $367,565, while Administration rises from $278,600 to $287,100. Human Resources increases from $432,300 to $612,320, and City Clerk grows from $383,242 to $410,550. Elections increase from $92,700 to $134,044, and Communications rise from $442,553 to $461,952. Finance increases from $1,514,250 to $1,545,100. Police expenditures increase from $12,697,764 to $13,206,124, and Fire increases from $7,159,353 to $7,419,484. Engineering decreases from $1,492,485 to $1,468,155, while Street Maintenance declines from $3,472,010 to $3,391,450. Street Lighting increases from $215,800 to $217,400, Parks Maintenance increases from $2,862,850 to $2,974,200, and Recreation increases from $783,510 to $847,830. Community Development increases from $539,550 to $603,883, Planning decreases from $460,826 to $416,740, and Inspections increase from $1,393,756 to $1,448,832.

Council Member T'Kach asked whether the total 2026 Budget reflects both capital and operating costs and noted that inclusion of all capital expenditures would result in an additional column.

Finance Director Hove explained that the General Fund department budget includes only operating expenses and does not include capital. She noted that the General Fund total of $36,789,166 is allocated across individual departments and represents the operating side of the General Fund. Capital expenditures generally occur in other areas, such as the Central Equipment Fund, where departments contribute through their budgets and the actual purchases are made through Internal Service Funds. While departmental budgets include allocations that help support capital needs, the purchasing itself occurs within those Internal Service Funds rather than within the General Fund departments.

Expenditures by type reflect that personnel costs comprise the largest share of the General Fund budget at 65%. Other charges and services account for 29%, supplies represent 3%, capital outlay accounts for 2%, and other financing uses account for approximately 0%. A comparison between the 2025 amended budget and the 2026 budget indicates that the primary increases are driven by personnel costs and other charges and services.

The comparison of the 2025 amended budget versus the 2026 budget by expenditure type shows an increase in personnel costs, reflecting the largest share of overall expenditures in both years. Supplies remain a relatively small portion of the budget. Other charges and services are largely flat between the two years, showing minimal change. Capital outlay represents a very small share of expenditures in both budgets. Other financing uses decline in 2026 compared to 2025, indicating a reduction in that category while overall spending continues to be driven primarily by personnel and operating costs.

Key known increases included in the 2026 budget reflect the implementation of the Minnesota Paid Family and Medical Leave program and other personnel cost changes of approximately 3.5%. Fire Department adjustments include savings associated with the Fire SAFER Savings Plan totaling $235,000, the completion of the phase in of costs for 3 firefighters hired in 2025 totaling $209,300, and the addition of an AFLAC benefit totaling $24,120. Police Department costs include the phase in of expenses for 3 officers hired in 2025 totaling $101,500, with a portion of these costs supported by a federal COPS grant through 2027.

Additional budget assumptions include reduced revenue from NDC4 totaling $26,000, a 3% increase to Pavement Management levy funding, a 3% increase to Parks Capital replacement levy funding, and a 2% increase to the EDA levy funding.

Staffing adjustments included in the 2026 levy and budget consist of 1 additional FTE in the Human Resources Department, along with increased hours for several part time positions. The Human Resources Coordinator increases from 26 hours per week to 32 hours per week, the Accounting Technician increases from 20 hours per week to 25 hours per week, and the Communications Specialist in Parks and Recreation increases from 25 hours per week to 32 hours per week. In addition, 4 positions are reclassified within Engineering, Inspections, Police, and Fire.

Mayor Dietrich asked whether the HR Coordinator increasing from 26 to 32 hours results in any changes to the benefit package.

Director Hove explained that the employee was grandfathered in and that the change did not add any additional benefit costs.

The 2026 Budget includes several uses of fund balance across multiple funds. Within the General Fund, 2026 represents the 2nd year of spending down prior year savings from the Fire SAFER

Savings Plan in the amount of $340,000, following a $525,000 spend down in 2025. One-time Public Safety Aid from Fund 102 is used to support several Police Department needs, including $200,000 for a command vehicle, $36,120 for an additional emergency warning siren in the NWA of the City, and $144,326 to cover the phase in of 3 new police officers hired in 2025. In addition, 2026 marks the 1st year of expenditures from Opioid Settlement Funds in Fund 252, with $28,815 allocated for LEAD education in schools and summer outreach and support efforts. The Central Equipment Fund will utilize savings from prior Police budgets within the Central Equipment Fund to cover 2026 vehicle outfitting costs for leased vehicles. The City Facilities Fund will use $500,000 of fund balance to support ongoing capital needs, and the Technology Fund will utilize fund balance to complete fiber updates.

Council Member Gliva asked whether Minnesota paid leave would be split between the City, as the employer, and employees at the 0.88% rate.

Administrator Wilson explained that the City selected a private plan that meets State requirements, resulting in a lower rate of 0.76% rather than 0.88% for 2026 and 2027. She noted that the payment split is being negotiated with the unions, that the City is working to manage this consistently and obtain union agreement, and that she would provide an update in closed session rather than discuss union negotiations in open session.

Council Member Gliva asked whether the HR position is a replacement for the existing role, a reclassification of the current position, or an additional position.

Administrator Wilson explained that this is an additional position that is included in the levy. She noted that if the Council chooses to reduce the levy, this position would be the first recommended for removal.

Council Member Gliva asked whether the position was budgeted as a partial or half year.

Administrator Wilson explained that the City could afford more than a half year, likely 7 to 8 months, and confirmed that the position would be hired partway through the year.

Council Member T'Kach asked whether information was available on the existing fund balances for the specific accounts being used, including the General Fund, Public Safety Aid, and Opioid Settlement Funds, and what percentage these expenditures represent of the total balances in those funds.

Director Hove stated that she did not have the specific balances available. She noted that Public Safety Aid is planned to be spent down over several years, including the $200,000 expenditure and the phased funding of 3 new police officers, and that the Opioid Settlement Funds being used represent only a small portion of the total collected.

The Tax Abatement Levy annual abatement is based on the new value added to the City's tax base under The Crossings project. City taxes related to the new value from that project are abated or paid back to the developer under the terms of the agreement. Year 1 in 2023 totaled $30,780.52 because only a portion of the new project's market value was online. Year 4 in 2026 is budgeted at $183,000, with the annual amount approximately the same since Year 2, when the project's full value was recorded by Dakota County. The maximum abatement period is 10 years, ending in 2032, although the abatement period could be fewer years if the maximum abatement amount of $1.6 million is reached sooner than 2032. The abatement is considered a separate levy each year.

Debt tax levies reflect a combination of Street-Related Debt and Fire Station Debt across multiple bond issuances, with the total levy remaining relatively stable over the four-year period. Street related debt includes the 2015A G.O. Bonds at $633,255 in 2026, the 2016A G.O. Bonds at $728,923, and the 2017B G.O. Bonds at $261,765. The 2020A G.O. Bonds, which had been budgeted at $177,250 in prior years, are fully paid off in 2026 following Council approval in December 2024 to use available funds from the Closed Bond Fund, resulting in no levy requirement for that bond in 2026 and eliminating the prior offset associated with use of the Closed Bond Fund. Fire Station Debt includes the 2018A G.O. Bonds budgeted at $737,189 in 2026 and the 2019A G.O. Bonds at $189,525. In total, the Debt Tax Levy increases modestly from $2,547,632 in 2025 to $2,550,657 in 2026.

The Pavement Management Tax Levy and City dedicated funding for 2026 includes a proposed tax levy of $3,022,792, an increase of $88,042 or 3% compared to the 2025 budget of $2,934,750. In addition to the levy, City dedicated funding sources include $1,122,110 in franchise fees, $550,000 in State Aid for maintenance, $100,000 in Transportation Advancement Aid, and $380,000 in interest earnings. Together, these sources result in total City dedicated funding of $5,233,598, with the potential for additional project specific funding as applicable.

The Citywide Tax Levy calculation reflects a proposed total levy of $36,178,590 for 2026, an increase of $1,963,833 or 5.74% compared to the 2025 approved levy of $34,214,757. General Fund expenditures increase from $34,797,355 in 2025 to $36,606,166 in 2026, a change of $1,808,811 or 5.2%. Other revenues offset a portion of these costs, decreasing slightly from $6,248,280 to $6,184,025, a difference of $64,255 or a 1.0% reduction. As a result, the amount levied for General Fund activities increases from $28,549,075 to $30,422,141, an increase of $1,873,066 or 6.6%. The General Fund Tax Abatement levy decreases slightly from $183,300 to $183,000. The Debt Levy increases modestly from $2,547,632 to $2,550,657, a change of $3,025 or 0.1%. The Pavement Management Levy increases from $2,934,750 to $3,022,792, reflecting an increase of $88,042 or 3.0%. Combined, these components result in the proposed total Citywide Levy of $36,178,590 for 2026.

The Storm Water Special Taxing District levies were established under Minnesota Statute 444 and are used to fund trunk Storm Sewer improvements installed in conjunction with the 70th Street East Reconstruction Project from Cahill Avenue to Concord Boulevard under City Project 2001-02. The district includes the Babcock Trail, South Grove, and 70th Street areas and contains approximately 3,000 parcels. The levy is structured as a 10-year term from 2018 through 2027 and generates $79,394 annually.

The final steps for the 2026 Budget include receiving public input and Council direction on December 15, including approval of the final Citywide Levy, the final Special Taxing District levies, and the expenditure budgets.

Mayor Dietrich noted that the current HR Manager retired today and that a new HR Manager is being onboarded. She asked that staff return to the Council with information on the timing, implementation, and budget implications if the additional position is approved.

Administrator Wilson stated that, if directed by the Council, staff could proceed accordingly. She noted that while positions included in the budget are typically filled administratively after adoption, the Council could instead retain funding for an additional administrative or HR position and direct staff to return for further discussion prior to any hiring. She also indicated that, if the levy is adopted at the preliminary level, the Council may continue to evaluate the appropriate use of those funds once the new HR Manager is in place.

Mayor Dietrich stated that she did not want to get too detailed but expressed a desire to understand the potential salary range for the position and to ensure that the budget implications align with expectations.

Director Hove stated that staff can make note of the Council's request and, once the new HR Manager is onboard, review the appropriate role, duties, and how the position would fit within the organization.

**Mayor Dietrich opened the public hearing.**

Martha Henderson, 9900 Alaureate Court, raised concerns about the Stormwater Fee assessed on large, low density residential properties located on private roads. She explained that these properties consist mostly of permeable surfaces with minimal paved areas, rely on septic systems, and do not contribute meaningful runoff because stormwater is absorbed on site. She questioned the fairness of being charged an increasing Stormwater Fee under these conditions and asked whether this was the appropriate forum to raise the issue or if it should be addressed at a different time.

Administrator Wilson outlined two follow up options. She noted that contact information could be provided to City Clerk Kiernan for Public Works Director Connolly to offer direct follow up, and that the City's Stormwater Utility Study will be reviewed by the Council at its December 15 meeting as a dedicated agenda item, including information on current and proposed assessment methods.

Mayor Dietrich stated that, if attending in person is not possible, the Council meeting may be viewed on cable television or online through Town Square Television and encouraged sharing the information with neighbors who may have similar questions.

Michael Petrulo, 7335 Bancroft Way, urged earlier public involvement in the budget process, noting that decisions can feel predetermined once formal hearings occur. He raised questions about overall expenditure growth, department budget targets, and taxpayer affordability, expressed concern about rising property taxes, particularly for residents on fixed incomes, and questioned the need for additional Police, Fire, and City staff given modest population growth. He encouraged consideration of demographic trends, fiscal restraint, and long-term efficiency improvements, including the potential use of AI, to help manage personnel costs.

Director Hove clarified that the reference was to the Citywide Budget summary, which excludes Internal Service Funds. She noted that a summary including Internal Service Funds appears early in the budget book, is posted on the City website, and is included in the public and agenda packets for the meeting.

Mayor Dietrich stated that she wanted to ensure the information could be easily located. She then asked whether there were any comments, either from Director Hove or Administrator Wilson, regarding how goal setting for departments is handled and how that process works.

Director Hove described the City's approach to departmental goal setting and budget development, noting that the budget is reviewed year over year with known cost increases incorporated early, including negotiated union wage adjustments of 3% to 3.5% and health care cost assumptions. She also cited a recent insurance increase of approximately 12.6%, noting that the City often operates within contractual provider ceilings and that the increase was lower than many organizations experienced. She added that personnel costs are budgeted based on current compensation levels. For non-personnel costs, she explained that the City relies heavily on historical spending trends to inform budget projections. This includes reviewing year over year costs for items such as salt, deicing materials, and fuel. She noted that while costs increased significantly during and immediately following COVID due to supply delays and inflation, those costs have since stabilized.

She emphasized that the City is no longer seeing the same level of annual increases for many of these items.

Director Hove concluded by describing the comprehensive budget review process, which includes detailed, line by line budget meetings with each department. These meetings involve City Administrator Wilson, herself, department heads, and division managers. During these reviews, expenditures are closely examined to identify areas where spending can be adjusted, reduced, or reallocated, particularly where funds are not being fully utilized or where costs have come in lower than anticipated. She emphasized that the City takes a thorough and deliberate approach to managing expenditure budgets.

Administrator Wilson stated that she understood the question to be how the $92 million compares to the prior year and confirmed, based on a review of the same meeting materials from last year, that the total reflects a 2.62% increase. She noted that several contributing factors are already familiar to the Council and offered to provide additional explanation, particularly regarding why Police and Fire staffing levels are not driven solely by population growth.

She explained that the Fire Department has been transitioning over the past 5 years from a paid-on call model to a structure with more full-time firefighters, noting that the prior model is no longer sustainable given current call volumes and ongoing recruitment and retention challenges. While grants have supported some of these new positions, she noted that those grants are temporary and ongoing costs must ultimately be absorbed into the City's operating budget.

Administrator Wilson added that policing has also evolved and that staffing decisions are influenced by factors beyond call volume, including an increase in 911 calls related to mental health and community expectations for proactive policing. She emphasized that Police and Fire staffing needs are complex and cannot be directly tied to population growth alone and noted that department chiefs are available to provide further detail if requested.

Council Member T'Kach asked whether Administrator Wilson could address the shift in Fire Department calls from primarily fire related incidents to an increasing number of medical calls, particularly as the population ages, and explain the impact of that change on the department.

Administrator Wilson stated that more than 70% of Fire Department calls are medical. She noted that Fire Department personnel often arrive first to stabilize patients until a private ambulance arrives and that police and fire staff also regularly respond to traffic related incidents along major roadways in Inver Grove Heights.

Mayor Dietrich stated that the City will continue to monitor the use of AI and evaluate how it may be beneficial, while acknowledging that there are often unintended costs associated with new initiatives.

Sandy Honerbrink, 2318 75th Street East, stated that property tax revenue functions much like a paycheck and emphasized the importance of staying within the budget, particularly given that many residents are on fixed incomes. She expressed concern that budget discussions focus heavily on expenditures while referencing multiple funds without clearly stating the balances available in those funds.

Mayor Dietrich stated that staff do not always have those figures readily available and encouraged Ms. Honerbrink to contact Finance Director Hove directly to discuss those questions, as that information falls within her area of expertise.

Ms. Honerbrink stated that property taxes are a primary source of revenue and questioned whether the City has other available funds or revenue sources that could be used to limit tax increases. She expressed concern about references to shifting funds between accounts and noted the impact of rising taxes on residents with fixed incomes.

Mayor Dietrich stated that, like a personal situation, if health insurance costs increase by 12%, there are limited options to address that increase, as coverage must be maintained. She noted that going uninsured is not an option for City employees.

Ms. Honerbrink stated that the City should limit spending when funds are not available and prioritize waiting until sufficient resources are in place before undertaking projects. She cited parks, trails, and similar improvements as examples, expressing concern that undertaking multiple projects at once contributes to increased costs.

Mayor Dietrich stated that many of the trail projects were completed by the County as well.

Kelly Kaiser, 1953 59th Court East, thanked the Council for increasing transparency in pavement management by establishing it as a separate levy, clearly showing annual collections for roadway projects. She noted that this approach has reduced reliance on general obligation bonds used in 2015 through 2017, allows more road improvements to be completed in real time, and benefits taxpayers. She also referenced past use of special taxing districts and expressed appreciation for the Council's efforts to make funding more visible, use resources more efficiently, and maintain a levy increase lower than many other Twin Cities communities.

**Motion to close the public hearing by Scales, second by T'Kach.**
**Ayes: 5**
**Nays: 0 Motion carried.**

Director Hove stated that no approvals were needed at this time. She explained that, unless the Council provides direction beyond what is included in the budget book and what was presented, staff will proceed with preparing the budget for final approval on December 15. She noted that any edits or changes supported by most of the Council must be communicated now, as only one meeting remains for adoption, and requested any feedback or comments.

Council Member Gliva stated that she remains hesitant about adding new personnel for the upcoming year and expressed opposition to adding the HR position at this time. She noted that it may take some time for the new HR Manager to fully assess departmental needs.

Council Member T'Kach stated that she is comfortable with the overall budget amount but expressed concern that it may not adequately support the City's long-term needs. She emphasized the importance of closely reviewing expenditures while also engaging in thoughtful planning for future priorities. She noted the need for Council and staff leadership to collaborate on identifying and prioritizing future initiatives through short-term and long-term planning, with meaningful opportunities for resident input.

Council Member Scales stated that he is comfortable with the budget and expressed mixed views on adding an HR position, noting both the longstanding workload of the department and the value of waiting for the new HR Manager to assess needs. He also expressed concern about references to shifting resources toward new initiatives without clearly identifying those initiatives, emphasizing the importance of defining priorities before considering reallocations from areas such as Public Safety.

Council Member T'Kach stated that she agreed and noted that she has identified several items. She explained that many of these topics were discussed in prior planning sessions but did not receive majority support and expressed interest in continuing those discussions. She also stated that additional capacity in the HR Department may be needed to address ongoing staffing, and leadership demands of a growing City.

Mayor Dietrich stated that the next meeting will be the final meeting at which the budget will be adopted and noted that staff will not be reworking the budget prior to that action.

Council Member T'Kach stated that she was not seeking changes to the current budget but expressed concern that it may limit the City's capacity in some areas. She emphasized the importance of identifying opportunities for improved efficiency and noted that tools such as AI could help free staff time for higher value work such as reporting and survey efforts.

**B.** 2026 Liquor License Renewals

City Clerk Kiernan provided an overview of the 2026 Liquor License renewals for consideration by the Council. The matter requires a public hearing, and approval of any renewing Liquor License requires a 4/5 vote.

Three establishments are up for Liquor License renewal for 2026. Market Liquor is seeking renewal of an Off Sale Liquor License. Mississippi Pub is seeking renewal of an On Sale Liquor License, including Sunday sales, along with a Temporary Expansion. Moose Lodge 1088 is seeking renewal of a Club License and an On Sale Sunday Liquor License. All establishments are in good standing.

Based on the information reviewed, staff recommends holding a public hearing and approving the three Liquor Licenses presented.

**Mayor Dietrich opened the public hearing.**

**Motion to close the public hearing by Scales, second by T'Kach.**
**Ayes: 5**
**Nays: 0 Motion carried.**

**Motion to approve 2026 Liquor License Renewals for Market Liquor and Moose Lodge #1088 by Gliva, second by Scales.**
**Ayes: 5**
**Nays: 0 Motion carried.**

**Motion to approve 2026 Liquor License Renewal for Mississippi Pub by Scales, second by T'Kach.**
**Ayes: 4**
**Nays: 0 (Abstain: Gliva) Motion carried.**

**7. <u>REGULAR BUSINESS:</u>**

**A.** 2026 Environment Advisory Commission Work Plan, **Resolution 2025-269**

Environmental Specialist Kramer outlined the 2026 Environmental Advisory Commission (EAC) Work Plan, which is guided by the duties and functions of the City's EAC as defined in City Code 2-4-2. The EAC is responsible for advising the Council on environmental issues, including local landfill matters, wetland replacement applications, aircraft noise, and promoting public awareness of local environmental issues. The annual work plan serves as a helpful guiding document proposed by the EAC and approved by the Council, with the purpose of defining annual priorities that align with the duties and functions defined by City Code.

The 2025 EAC Work Plan acknowledges current staffing limitations while outlining how the Commission will continue to support environmental programming as items arise throughout the year. Priority efforts include work related to the Energy Action Plan and the Xcel Energy Partners in Energy Memorandum, including consideration of a Memorandum of Understanding extension and progress report. The work plan also includes support for the Solid Waste Abatement Program.

Educational items will continue to be incorporated into EAC agendas, with a particular focus on Stormwater and Watershed Education, including presentations on the Stormwater Pollution Prevention Plan and information provided by watershed organizations. In addition, the Commission will continue its role in Wetland Replacement Review and received an annual presentation from the Metropolitan Airport Commission Noise Oversight Committee.

The Solid Waste Abatement Program remained a priority, supported by approximately $55,000 annually through the Dakota County Community Waste Abatement Grant Program. Funding supported collection events and community engagement efforts, including a well-attended September cleanup day and a confidential paper shredding event focused on recycling, reuse, and waste reduction.

The Outdoor Winter Clothing Swap, held on Nov. 15, was well timed for seasonal weather conditions and resulted in the collection of more than 230 pounds worth of winter clothing, including jackets, scarves, and mittens. Nearly 170 pounds of those items were swapped the same day, providing children, teens, and adults with warm clothing for the winter. The event successfully extended the life of winter apparel, supported community members, and encouraged donations.

Following Halloween, the City held its annual pumpkin collection, diverting thousands of pounds of pumpkins from the landfill and sending them for composting to be converted into soil. In addition to these collection events, community education efforts were conducted, including outreach at the Inver Grove Heights Days Business Expo, where more than 300 residents were engaged in discussions on waste, energy, and environmental topics. Overall, the grant provided meaningful support to the City and its residents through both collection and education initiatives.

For 2026, the proposed EAC Work Plan identifies several priority initiatives to be implemented with support from the City's Environmental Specialist. These include continued support of the City's Energy Action Plan (EAP) and progress toward the goals outlined in the 2026 Xcel Energy Partners in Energy Extension Memorandum of Understanding. Outreach efforts will target businesses regarding building energy audits, electric vehicle charger installation opportunities, renewable energy, and available energy credits and rebates. Additional outreach will be tailored to young people and students, focusing on energy efficiency, renewable energy, energy careers, and other energy related topics. Residential and multiunit property outreach will also address building energy audits and available energy credits and rebates. The EAC will review community energy data updates provided by Xcel Energy Partners in Energy along with the annual EAP update.

The proposed work plan also includes support for reinstating the Sustainable IGH Awards program. Although the program was placed on hold in 2025 due to staffing limitations, the Commission and staff are committed to promoting its return for residents and businesses. Planned activities include hosting information tables at City events, leveraging local partnerships, utilizing social media and communication strategies, and working with community groups to promote the program. The EAC will also review applications and make recommendations to the Council for bronze, silver, gold, and special recognition award recipients.

Additional responsibilities in the 2026 work plan include hosting the Annual Stormwater Pollution Prevention meeting in partnership with the City's engineering division and supporting existing City environmental programming as needed. This includes solid waste abatement programming related to waste reduction, recycling, and organics initiatives, participation in Minnesota GreenStep Cities, and involvement with SolSmart.

The work plan further emphasizes increasing public and Commission's awareness of local environmental issues by inviting internal and external speakers to EAC meetings and expanding promotion of those meetings to the public. Relevant City staff will be invited to provide updates on environmental and sustainability topics related to City facilities, natural resources, and more. Ongoing business as usual responsibilities will continue, including matters related to landfills, wetlands, airport noise, and other duties assigned under City Code 2-4-2. The EAC will also review its existing responsibilities in City Code, research EAC practices in other communities, and provide recommendations on potential revisions to roles and responsibilities into the future. Participation in the 2026 through 2028 Comprehensive Plan review process is also included as part of the proposed work plan.

Mayor Dietrich expressed appreciation to Environmental Specialist Kramer for her work with residents and her contributions to the community.

Council Member T'Kach asked what priorities or areas of interest residents most frequently raised during the conversations held at Inver Grove Heights Days.

Environmental Specialist Kramer stated that most conversations focused on recycling, with residents seeking clarity on what items can and cannot be recycled. She noted interest in proper disposal of specialty items, such as lithium-ion batteries and household hazardous waste, as well as in energy efficiency resources and low cost or free programs offered by utilities such as Xcel Energy.

**Motion to adopt Resolution 2025-269 Approving the 2026 Environmental Advisory Commission Work Plan by T'Kach, second by Scales.**
**Ayes: 5**
**Nays: 0 Motion carried.**

**B.** 2nd Reading of Ordinance Establishing 2026 City Fee Schedule and 2nd Reading of Ordinance Removing Fees from City Code Title 10, Chapter 3

City Clerk Kiernan provided an overview of the 2nd Reading of an ordinance establishing the 2026 Fee Schedule and removing fees from City Code Title 10, Chapter 3. There are three types of City fees and charges for the upcoming year. These include utility connection and other development related fees, utility rates, and all other fees and charges, including fees for building permits, business licenses, the VMCC, Inver Wood Golf Course, etc.

Several notable changes are included as part of the 2026 Fee Schedule. The Fee Schedule has been reorganized to better reflect ease of use. Licensing related to liquor includes an increase in wine and off sale fees. Public Safety fees for audio, video, and photographs have been decreased. Parks and Recreation fees reflect increases ranging from 3% to 5% to keep pace with market rates in other cities. Recreation brochure advertisement space fees are included, and Inver Wood Golf fees reflect an approximate 4% increase.

Staff is recommending the use of an uncodified ordinance. This type of ordinance is adopted in the same manner as codified and carries the same legal authority. It stands independently and is not merged into sections of City Code. This approach is identified as a useful tool for interim ordinances and for items that frequently change.

To finalize this process, staff have prepared a housekeeping ordinance. The purpose of the ordinance is to remove the final remaining references to fees from City Code Title 10, Chapter 3 related to fees and deposits and replace the same with a reference to fees set forth in the City Fee Schedule. This approach is intended to provide consistency moving forward and eliminate the risk of conflicting fee references or amounts.

The staff recommendation for Council action includes consideration of approval of the 2nd Reading of the ordinance adopting the 2026 Fee Schedule. In addition, Council is asked to consider approval of the 2nd Reading of an ordinance amending various provisions of the Inver Grove Heights City Code Chapter 10, Section 3 related to fees and deposits.

Mayor Dietrich asked whether any residents had contacted Clerk Kiernan regarding the ordinance.

Clerk Kiernan stated that she has not received any contacts from residents and noted that the ordinance will proceed to a public hearing at the next meeting.

**Motion to approve the 2nd Reading of an Ordinance Establishing the 2026 City Fee Schedule and 2nd Reading of Ordinance Removing Fees from City Code Title 10, Chapter 3 by Scales, second by T'Kach.**
**Ayes: 5**
**Nays: 0 Motion carried.**

**C.** 2nd Reading of Ordinance Amending Utility Connection Fees

Administrator Wilson outlined the 2nd Reading of an ordinance amending utility connection fees for 2026, which is an annual action of the City Council and is required by State Statute to be accomplished through an ordinance following a public hearing. Ordinances require 3 readings in Inver Grove Heights, and the public hearing is held in conjunction with the 2nd Reading as part of the formal adoption process.

The ordinance establishes connection fees for Water, Sewer, and Stormwater utilities, which are paid at the time of connection to the system. These fees are most often paid by developers, although in some cases they are paid by current residents. For the past 15+ years, the City has had higher utility connection fees for most development in the NWA as a means of paying the City back for upfront investments made without assessments to property owners. Within the NWA, connection fees escalate with density to a greater degree than they do outside the NWA, which has created a particular challenge for proposed multifamily development.

Examples comparing NWA and non-NWA fees illustrate the magnitude of this difference. Water building permit connection fees in the NWA are $4,095 per SAC unit compared to $1,115 per SAC unit outside the NWA. Sewer building permit connection fees in the NWA are $7,310 per SAC unit compared to $640 per SAC unit outside the NWA, resulting in a combined subtotal of $11,405 per SAC unit in the NWA versus $1,755 per SAC unit in non-NWA areas.

Several policy considerations were identified in evaluating how these fees should be set. Questions include whether the focus should be on how much revenue the City needs to raise or how much the market is willing to pay. City fees cannot exceed the cost of delivering the service, in this case the provision of municipal utilities, but they may be set lower and may have to be under certain circumstances. This revenue source differs from other City revenues such as property tax and utility fee revenue. Developers also have alternative options, and there are limits to what is financially viable for a project. To date, there has been no multifamily development in the NWA without some form of fee relief, prompting consideration of other options to cover costs.

The goals of the connection fee study include developing a single structure of utility connection fees applied consistently across the entire City, setting fee amounts so that the cost of developing in Inver Grove Heights is not significantly higher than in nearby communities undergoing development while acknowledging the City's sunk costs in NWA utilities, and creating a fee structure that is simpler and easier to understand and explain.

Based on this analysis, staff recommendations include applying a 3% increase for Water and Sewer fees and a 5% increase for Stormwater fees for charges that are already equal City wide. Connection fees at the time of plat would use current non-NWA fees applied City wide with a 3% increase for Water and Sewer and a 5% increase for Stormwater. Connection fees at the time of building permit would be set at 30% of current NWA fees applied City wide with a 3% increase for Water and Sewer, with no corresponding Stormwater fee at that stage.

Infrastructure development fees for a sample industrial project, assuming a 100,000 sq. ft. building with 28 SAC units on 6.8 developable acres, place Proposed IGH in the middle of the regional comparison. The Proposed IGH total is higher than Cottage Grove South District, Eagan, Hastings, Lakeville, Ramsey, and Rosemount, but lower than Chanhassen, Shakopee Valley Industrial Park II, Woodbury Water District No. 2 and Sanitary Sewer District No. 12, and SWWD West Draw, and well below Current IGH NWA. When compared to Current IGH Non-NWA, the proposed fees represent an increase that brings the City closer to peer communities while avoiding the highest fee levels in the region.

Infrastructure development fees for a single-family home, assuming a 1/3 developable acre, place the proposed IGH fees at the high end of the regional comparison. The Proposed IGH total exceeds those of Chanhassen, Cottage Grove Upper Ravine, Eagan, Hastings, Lakeville, Ramsey, Rosemount, Shakopee, and Woodbury Water District No. 2 and Sanitary Sewer District No. 12 and SWWD West Draw, while remaining substantially lower than Current IGH NWA. When compared to Current IGH Non-NWA, the proposed fees reflect an increase that more closely aligns IGH with surrounding communities.

Infrastructure development fees for a sample multifamily project, assuming 150 units on 5 developable acres, place Proposed IGH below the regional midpoint. The Proposed IGH total is higher than Cottage Grove Upper Ravine, Eagan, Hastings, Lakeville, Ramsey, Rosemount, and Woodbury Water District No. 2 and Sanitary Sewer District No. 12 and SWWD West Draw, but lower than Chanhassen, Shakopee, and Current IGH NWA. Compared to Current IGH Non-NWA, the proposed fees represent an increase that improves alignment with peer communities.

Infrastructure development fees for a sample townhome project, assuming 157 units on 12 developable acres, place Proposed IGH near the regional midpoint and well below the highest cost jurisdictions. The Proposed IGH total is higher than Cottage Grove Upper Ravine, Eagan, Hastings, Lakeville, Ramsey, Rosemount, and Woodbury Water District No. 2 and Sanitary Sewer District No. 12 and SWWD West Draw, but lower than Chanhassen, Shakopee, and Current IGH NWA. Compared to Current IGH Non-NWA, the proposed fees represent an increase that improves consistency and alignment with surrounding communities.

Revenue projections assume that if all acres in the NWA north of Highway 55 that are guided for development paid the proposed 2026 rates, total revenue generated would decline compared to current levels. Under current rates, Water revenue totals $28,208,032, Sewer totals $35,874,155, and Storm totals $16,004,679, for a combined total of $80,086,866. Under the proposed rates, Water revenue would be $20,209,273, Sewer would be $15,733,690, and Storm would be $9,050,909, resulting in a combined total of $44,993,872.

The projected revenues are sufficient to pay off the remaining Sewer Debt Fund, fund the portion of the CIP supported by these fees, and leave additional funds available for future programming as utility build out continues across the City. While the initial utility build out in 2007 and 2008 covered a significant portion of the northwest area north of Highway 55, some gaps remain that will need to be addressed over time.

A change from the 1st Reading adds Section 2 updating a related fee established in a later section of City Code, specifically the Water and Sewer area trunk line benefit charge and applies a 3% increase for 2026 for Water and Sewer that is consistent with other Water and Sewer connection fee increases.

The requested action is a motion to approve the 2nd Reading of the ordinance establishing utility connection fees for 2026, with the 3rd Reading and public hearing scheduled for December 15.

Council Member T'Kach noted that it is reassuring that the projected revenues appear sufficient and asked for additional information regarding the remaining gaps in the NWA of the Sewer and Water System. She inquired about the general scope of those gaps and the approximate financial impact associated with addressing them.

Administrator Wilson stated that exact cost estimates are not available at this time. She noted that staff can provide a map in the next meeting packet identifying areas that still lack City utility infrastructure. She explained that the proposed 2026 Citywide rate structure is intended to support long term planning and will align with upcoming utility planning as part of the Comprehensive Plan, which will provide an opportunity to better define remaining needs and potential future rate adjustments.

Council Member T'Kach asked whether staff considered the potential additional costs associated with upgrading infrastructure as older commercial or residential areas are redeveloped and incorporated into the proposed rate structure, noting that much of the City's infrastructure is nearing the need for upgrades.

Administrator Wilson stated that the Capital Improvement Plan accounts for maintenance, repair, and replacement of existing utility infrastructure. She noted that current plans do not indicate redevelopment at a scale that would significantly affect water and sewer demand, and that any future large-scale redevelopment would be addressed through the Comprehensive Plan.

Council Member Gliva asked whether reducing costs to approximately 30% of prior levels could create a situation in which the City might need to implement a significant future increase if the extent of future utility buildout is not yet fully known.

Administrator Wilson stated that she does not anticipate a return to significantly higher rates and emphasized that the issue is not the sufficiency of the funds but the timing of when revenues are received. She noted that development can require extending utilities through undeveloped areas, requiring Council decisions on whether to advance those costs, and referenced the premature development ordinance that allows the Council to manage such situations.

Council Member Scales expressed appreciation for the work by staff and the Council to create a more balanced, Citywide approach. He noted that prior high fee structures discouraged development and that the City has learned from those outcomes, stating that the current adjustments represent a needed correction.

Council Member T'Kach asked whether, in a situation where a proposed development is located some distance from existing utilities, the ordinance establishes specific criteria such as a dollar threshold or distance standard to guide Council decision making.

Administrator Wilson stated that the ordinance leaves such determinations to the Council, which may decide not to extend water and sewer service to an area at a given time. She also noted that the ordinance allows a developer to fund the full cost of extending utilities, though this occurs infrequently.

**Motion to approve the 2nd Reading of an Ordinance Repealing and Replacing Inver Grove Heights City Code Title 3, Chapter 4, Section (2)(2) related to Water, Sanitary Sewer, and Stormwater Utility System Connection ees by Gliva, second by Scales.**
**Ayes: 5**
**Nays: 0 Motion carried.**

**D.** Purchase Agreement with Ace in the Hole Real Estate Limited Partnership.

**Motion to move into Closed Session pursuant to Minnesota Statutes, Section 13D.05 subd. 3(c)(3) to consider an Offer to Purchase Real Property Identified by PIDs: 20-00600-25-015 and 20-00600-05-010 by Gliva second by Scales.**
**Ayes: 5**
**Nays: 0 Motion carried.**

**Motion to reconvene in Open Session by Scales, second by Gliva.**
**Ayes: 5**
**Nays: 0 Motion carried.**

**Motion to approve Purchase agreement for Real Property Owned by Ace in the Hole Real Estate Limited Partnership Identified by Parcels 20-00600-25-015 and 20-00600-05-010 by Scales, second by Dietrich.**
**Ayes: 4**
**Nays: 1 (T'Kach) Motion carried.**

## 8. PUBLIC COMMENT

Sandy Honerbrink, 2318 75th Street East, asked whether the Central Maintenance Facility is included in the 2026 budget and requested clarification on the project's status, including whether it has been paused or remains under consideration. She also inquired about the status of future phases of the 80th Street trail, including extensions past Concord and connections to a proposed park to the north, and asked how those phases are reflected in the budget, noting uncertainty about where these items appear.

Mayor Dietrich stated that the Council agreed at its most recent work session to proceed with the next phase of the Central Maintenance Facility project, with results anticipated in the 1st quarter of 2026, and clarified that no final decision has been made.

Administrator Wilson stated that there is no funding in the 2026 budget to construct a new Central Maintenance Facility, noting that additional analysis is underway to determine the full cost and that the Council will receive more information in early 2026 to continue the discussion. She also explained that there is no planned purchase of a new park in the budget, although the City maintains a Park Dedication Account funded by developers that could be used for park acquisition if an appropriate opportunity arises. Lastly, she noted that the trail along 80th Street is a County project with City cost sharing, and that she will follow up with Dakota County to provide additional information on the trail's ultimate path.

## 9. MAYOR AND COUNCIL COMMENTS:

Council Member Scales commented that the tree lighting event was very successful, noting the addition of more lights extending toward Simley Pond. He expressed support for continuing to expand the lighting each year and observed that attendance, especially among children, continues to grow.

## 7. REGULAR BUSINESS

**E.** Personnel Matters

City Attorney Nason explained that the Council must determine next steps for filling the City Administrator position following her January resignation, including whether to use an internal or external recruitment process and whether to appoint an interim City Administrator during the search. She noted that League of Minnesota Cities resources are available and that proposals would likely be reviewed in January or at a special meeting.

Mayor Dietrich asked whether Baker Tilly remains an available resource.

Attorney Nason stated that Baker Tilly no longer provides these recruitment services and is not included on the current list, despite having conducted the prior search.

Council Member Scales thanked Administrator Wilson, stating that it has been a pleasure to work with her and that she will be missed personally and professionally. He expressed support for outsourcing the recruitment process, noting that the City lacks the internal resources and expertise to manage the search.

Mayor Dietrich asked whether any Council members were familiar with other recruitment firms.

Council Member T'Kach stated that she reviewed several of the firms but was not personally familiar with any of them. She noted that Cohen Taylor's executive search services appeared to have broad experience that could align with the City's needs, but she had not reviewed the others in depth. She asked whether the City could issue an RFP or alternatively contact a firm directly.

Attorney Nason outlined two options for proceeding: directly soliciting proposals from selected firms, such as DDA, GovHR, and GMP, or issuing an RFP through the League of Minnesota Cities marketplace. She noted that either approach would require a 10-to-14-day response period, with timing dependent on Council direction and whether the deadline is set before or after the Christmas holiday.

Council Member Scales stated that based on his experience with RFP processes, he is not supportive of using that approach to select a recruitment firm. He said he would prefer to rely on recommendations from trusted sources, such as City staff or other cities that have recently completed similar searches, rather than selecting a firm through a proposal process. He expressed greater confidence in firms with established reputations and proven experience.

Council Member T'Kach stated that issuing an RFP requires significant time and effort to prepare and evaluate and may not necessarily result in the best outcome.

Mayor Dietrich asked whether Attorney Nason, based on her work with other cities, could share insights or experiences regarding recruitment firms those cities have used during similar processes.

Attorney Nason stated that recent City Administrator searches among cities she works with have often involved Baker Tilly based on prior use. She said she could seek additional insight from colleagues and noted that Farmington and Forest Lake recently used DDA. She also clarified that the League of Minnesota Cities does not recommend firms but provides a list of resources.

Council Member T'Kach requested that any firms considered have a local or regional connection, preferably within Minnesota, to ensure familiarity with Minnesota law and the recruitment environment. She also asked for information on recruitment outcomes, including long term retention, to assess firms' track records of successful placements.

Mayor Dietrich asked whether recommendations could be provided by the end of the week, noting the time constraints created by the upcoming holidays.

Attorney Nason confirmed that she would provide additional information by the requested deadline, including which firms have recently assisted Minnesota cities and the success and retention outcomes of those placements, after which the Council may provide direction on which firms should be contacted to submit proposals for recruitment services.

Mayor Dietrich asked whether there was consensus, or at least a majority, in support of seeking an interim City Administrator from outside the City. All Council members indicated agreement.

Attorney Nason stated that, based on the Council's direction, she could reach out to individuals on the League of Minnesota Cities list to determine availability for serving as an interim City Administrator. She indicated that she would gather that information and bring it back to the Council for further consideration.

Council Member Scales stated that, in his view, interim candidates should have experience working in cities of comparable size. He said he was not interested in candidates whose experience was limited to much smaller communities and preferred focusing on individuals who have served cities in the 15,000 to 30,000 population range or larger.

Council Member T'Kach added that the type of City should also be considered, noting that candidates with experience in Minnesota statutory cities would be preferable due to familiarity with Minnesota statutes and laws. She expressed a preference for Minnesota based candidates over those from other states, such as Wisconsin.

Attorney Nason confirmed that the Council's direction is for her to contact individuals on the updated League of Minnesota Cities list who have experience working in Minnesota cities with populations of 15,000 or more to determine their availability. She stated that she would provide that information to the Council, after which next steps could be considered based on the size and qualifications of the candidate pool.

Mayor Dietrich noted that after reviewing recent Planning Commission and Environmental Advisory Commission meetings and their work plans, those commissions are looking to the Council to establish their own goals. She asked the Council to consider setting a date for a goal setting session and requested reconsideration of using an external facilitator for that process given the current circumstances.

Council Member Scales stated that while he previously believed the City had the internal resources to facilitate the goal setting process, the loss of that staff resource has changed his view. He expressed support for bringing in an external facilitator, noting that given the current transitions, it would be worthwhile.

Council Member T'Kach stated that she agreed with Council Member Scales and supported bringing in an external facilitator for the goal setting process.

Mayor Dietrich requested that Council Members share their availability so a goal setting session could be scheduled and completed by the second week of February and asked that calendars be provided to Administrator Wilson to identify potential dates. She also inquired whether Administrator Wilson had potential facilitators in mind, noting that she could also seek recommendations from other mayors.

Administrator Wilson stated that she could provide a list of potential facilitators, noting that she had previously spoken with one to obtain a cost estimate during the budget process. She indicated that within a few days she could share several options based on feedback from colleagues.

Mayor Dietrich asked Administrator Wilson to reach out to other City Administrators to identify suitable facilitators, emphasizing the importance of scheduling the goal setting session for staff, Council, and volunteers.

Council Member T'Kach asked whether attendance at the goal setting session would be required for the interim City Administrator and how scheduling conflicts would be addressed.

Mayor Dietrich stated that, while it would be ideal for the interim City Administrator to attend in an observational role, the Council's priorities would be established regardless of attendance.

Council Member Gliva asked whether a daytime goal setting session might be an option, noting that evening sessions can become lengthy and asking if there was interest in holding the session during the day.

Mayor Dietrich suggested that Administrator Wilson gather input from staff. Administrator Wilson offered to set up a poll with a range of dates and times, including daytime and late afternoon options, to identify common availability.

Mayor Dietrich asked whether a recommended list of facilitators could be provided by the end of business on Friday.

Council Member Murphy asked whether the item required Council action.

Mayor Dietrich confirmed that a simple majority was required and asked whether the vote had already taken place.

Attorney Nason stated that the motion would be to direct Administrator Wilson to conduct a scheduling poll and obtain information on a third-party facilitator for a January goal setting session.

Council Member Murphy asked whether the action before the Council was to authorize the expenditure of funds or not.

Attorney Nason clarified that the motion, as stated, did not authorize any expenditure and noted that approving funding would require Council review of a list of potential goal setting facilitators. Administrator Wilson stated that staff would research the matter and return with options including cost, recommended firms, and information on experience and process. She noted that no decision would be made that evening and that the information would be provided by the end of business Friday for Council consideration at a subsequent meeting.

**Motion to approve using a Facilitator for the 2026 Goal Setting Session by T'Kach, second by Gliva.**
**Ayes: 5**
**Nays: 0 Motion carried.**

**10.ADJOURN:**

**Motion to Adjourn at 9:14 p.m. by Scales, second by Gliva.**
**Ayes: 5**
**Nays: 0 Motion carried.**

Minutes prepared by Recording Secretary Tammy Greenlee